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1. Despite the relative unimportance of Hungarian metal industry, Russia is not satisfied with the production. In the last few months of 1949, the deliveries to Russia were 6 to 10 per cent. short, and the Russians considered this excessive. During the first part of 1949, Ernst Gerb, Chief of the People's Economic Council, was instructed to Russianize Hungarian industries. A plan to exchange workers was made. Nevertheless, the problem was not solved, as all the workers could not be sent to Russia to learn Russian methods. The metallurgical industry, the railroads, and the textile industry are the three branches in which Russian methods are to be established as quickly as possible.
2. A Russian Culture Month was carried out in Hungary this year. A Russian delegation, consisting mainly of artists and writers was organized and sent to Hungary. Four important industrial workers were included in this delegation. The newspapers published long accounts of the cultural group and its activities, but the workers' group was not mentioned.
3. The four important workers were:
 - a. Ivan Pavlovich Bardin, vice-president of the Soviet Academy of Sciences, a Russian expert in metallurgy who has helped to build several foundries in Russia and is also an expert on the Martin method for the production of steel.
 - b. Alexei Petrovich Zhuravlev, assistant to Bardin, a specialist in electric furnaces and chief of equipment of the Elektrostal factory near Moscow. Zhuravlev has since become a deputy to the Supreme Soviet.
 - c. Natalya Ilichna Dubyara represented the textile industry; she had been in Hungary before. Dubyara is a spinner at the Trukhgornaya Factory in Moscow and is a specialist at running 16 machines.
 - d. Ivan Fedorovich Panin, a locomotive driver, was also a member of the delegation.

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4. Bardin and Zhuravlev visited the most important foundries in Hungary: Diosgyar; Ozd, the Ganz factory at Budapest; the Acelöntő and Csőgyar Factory, Budapest; the Malyas Rakosi factory at Csernel; and several other small ones in Budapest. The main purpose of these visits was to determine the cause of the losses and decide which factories should utilize Russian methods. Bardin had an unpublicized conference with the professors of the Technical University of Budapest. The professors were instructed in the problems and experiences of the Russians in metallurgy. These instructions had to be accepted without question. The professors were also informed that all technical teaching must conform to Soviet methods, so that the products would have the same characteristics in Hungary as in Russia. After a public meeting at the Hungarian Academy of Sciences, there was a closed meeting at which Bardin spoke of the faults of the Hungarian experts. He demanded that the cultural, artistic, and scientific life of Hungary be based on Socialism and stated that Hungary had not begun to make the change.
5. The particular problems of heavy industry were discussed in the course of a conference with Mihaly Zsotinyec, who was informed that Russia desired an increase in the Hungarian production of iron and steel. Regardless of price or sacrifice Hungary must find a method to build or buy foreign electric furnaces in order to increase the production of steel. The production methods and the inventions which the factories must introduce to become Russianized were discussed at several secret meetings.
6. Dubyaga visited the Goldberger textile factory at Elenföld and the Magyar Pamutipar factories at Ujpest, but her most important visit was to the new factory at Szeged. This factory was still under construction. After her visit to Szeged, Dubyaga made a report to the Ministry of Light Industry. She stated that: in the first place, the use of Russian machines had not been taught; the machines were working far below their maximum efficiency; and confusion reigned at the factory. There was no over-all plan for construction, only sectional details. The construction was constantly being modified; for example, in one set of specifications only one floor was planned, but this was changed to include a second floor, although meanwhile the foundations had already been laid. The machine rooms were still provisionally located, and had been shifted several times; this had caused production slowdowns. She saw errors of 1 cm. to 1 meter on the plans. She also stated that the Communist Party was not very efficient and that there had not been a workers' celebration for her visit. In answer, Karosan, the Minister, immediately ordered an inquiry; the Communist Party sent some commissaires to Szeged, and they proceeded to purge the cells of the factory; the Secretariat of the Communist Party at the factory was dismissed; the members of the management committee were changed; and four workers and nine officials were arrested. Two Russian supervisors arrived in Szeged at the end of April and had been assigned to supervise the factory.
7. The Minister of Industries called a conference of foremen of the textile industry, and during the meeting Dubyaga told of the Russian methods which must be introduced into every textile factory in Hungary.
8. After Panin's visit, the two Russian methods, the "2,000 tons" and the "500 kilometers", of railroad movements were introduced. These methods have caused a great deal of difficulty in Hungary since they are applicable to long distance transportation and not to short runs. Panin established a spectacular record, which has since served as an example for all locomotive drivers, but this record is not applicable either since his record was made on the Budapest - Miskolc run, at a time when all other trains were prohibited from using the tracks and with the aid of the most expert Hungarian trainmen.
9. Panin visited all the repair shops of the railroad; Istvántelek, Debrecen, Szolnok, and the station at Erenovaros. He gave detailed instructions on the Russian methods for shortening repair times. The general impression among the Hungarian engineers was that the Russian methods would shorten the life of the locomotives.
10. Panin held special conferences with the chief of the political section of the Hungarian railroads, Imre, at which he explained the two methods of movement in detail, and the volunteer system by which the workers must work more for less money. The old rules which limited the number of working hours of the engine drivers had already been suppressed in March.

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